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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing

C0070016

#3292

&

June 4, 2009

Chris Hansen, Environmental Manager
Mountain Coal Company
HC 35 Box 380
Helper, Utah 84526

Subject: 2008 Annual Report Review, Gordon Creek 2, 7, & 8, C/007/0016, Task ID # 3292
Outgoing File

Dear Mr. Hansen:

The Division staff has completed the 2008 Annual Report Review. Enclosed is a copy of the review for Gordon Creek 2, 7, & 8, C/007/0016 completed on June 2, 2009.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron Haddock
Permit Supervisor

sqs
Enclosure
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This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2009. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

GENERAL INFORMATION

Permittee Name	Mountain Coal Company, LLC
Mine Name	Gordon Creek 2, 7 and 8 Mines
Operator Name (If other then permittee)	
Permit Expiration Date	August 28, 2009
Permit Number	C/007/0016
Authorized Representative Title	Eugene E. DiClaudio, President
Phone Number	(970)263-5140
Fax Number	(970)263-5151
E-mail Address	gdiClaudio@archcoal.com
Mailing Address	Arch Western Bituminous Group, LLC, 255 N. 5 th Street, Suite 900, Grand Junction, CO, 81501
Designated Representative	Chris D. Hansen
Resident Agent	Corporation Trust Company
Resident Agent Mailing Address	Corporation Trust Center, 1209 Orange Street, Wilmington DE
Number of Binders Submitted	2 (1 for SL DOGM; 1 @ DOGM PFO) Received May 14, 2009

IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	N/A		
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UTG-040004	UPDES Permit - inactive	4/30/10
PSD Permit(s) (Air)	N/A		
Other			
	None		

Operator, please update any incorrect information.

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included	or	DOGM file location
	Yes	No	Included		Vol, Chapter, Page
Excess Spoil Piles	<input type="checkbox"/>	X	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	X	<input type="checkbox"/>		
Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	X		Quarterly and Annual Impoundment Inspection and Certification Reports Included in Appendix A
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:

Inspector:

Has the operator complied with this section? Yes X No ☐

Inspector Comments:

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100

Soils R645-301-200

Biology R645-301-300

Landuse, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

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Geology R645-301-600

Hydrology R645-301-700

Bonding & Insurance R645-301-800

Other Commitments

*Reminder: If equipment has been abandoned during 2008, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

Operator Comments:**Inspector:**Has the operator complied with this section? Yes X No ☐**Inspector Comments:**

The Gordon Creek 2 / 7/ 8 Mines have been sealed and the portal areas and pads have been reclaimed. Final reclamation activities involved reclamation of the three cell sediment pond in October of 2007. The only impoundment remaining at the site is Jacob's pond, which is a spring fed stock watering pond.

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required Yes	No	Included Included	or	DOGM File location Vol, Chapter, Page
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Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<input type="checkbox"/>	X		
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Other					
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2008, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Map Number(s)**Map Title/ Description**

Annual subsidence map	NA		
Mine map	NA		
Other maps		Confidential	
		Yes	No
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Operator Comments:

Inspector:

Has the operator complied with this section? Yes X No ☐

Inspector Comments:

OTHER INFORMATION

Additional attachment to this report? Yes ☐ No ☒

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

None.

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APPENDIX A**Certified Reports**

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS**Inspector Comments:**

The 2008 Annual Report submitted by the Permittee through Blackhawk Engineering Company contains the annual impoundment inspection and certification for Jacob's Pond in APPENDIX B. Mr. Dan Guy, P.E., performed this requirement for the Permittee on September 23, 2008. There were no signs of instability, erosion, or potential safety hazards noted during Mr. Guy's inspection. Jacob's pond is a stock watering pond, and is approved as a permanent impoundment which compliments the post-mining land use for the reclaimed area. The Annual Impoundment and Certification inspection is also the third quarter 2008 impoundment inspection for this stock watering impoundment.

Also provided are three quarterly inspections for the Jacobs Pond for 1st, 2nd and 4th quarters of 2008. Deep snow blocked access to the Jacob's pond on March 25, 2008. The quarterly inspections documented on May 14, and November 11, 2008 do not indicate any structural hazards or information different from that documented within the August inspection and annual P.E. certification.

The Permittee has met the reporting requirements for this section of the 2008 Annual Report.

APPENDIX B

Reporting of Technical Data

Including monitoring data, reports, maps, and other information
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

CONTENTS

Inspector Comments:

No technical data was submitted with this section of the 2008 Annual Report. None is required.

APPENDIX C**Legal Financial, Compliance and Related Information**

Annual Report of Officers
As submitted to the Utah Department of Commerce

Other change in ownership and control information
As required under R645-301-110

CONTENTS**Inspector Comments:**

APPENDIX C, EXHIBIT 1, page 1, contains a list of **DIRECTORS AND OFFICERS OF MOUNTAIN COAL COMPANY, L.L.C.**

The mailing address / contact information for **MOUNTAIN COAL COMPANY, L.L.C.** is as follows;

MOUNTAIN COAL COMPANY, L.L.C.
P.O. Box 591
Somerset, CO 81434-0591

Mountain Coal Company, L.L.C. is a subsidiary of Arch Western Bituminous Group.

EXHIBIT 1, pages 2 and 3 lists the **DIRECTORS AND OFFICERS OF ARCH COAL, INC.** located in St. Louis, MO.

Contact information for that Company is provided.

EXHIBIT 1, page 4 lists the **DIRECTORS AND OFFICERS OF ARC LAND COMPANY.** Contact information for ARC Land Company is provided.

EXHIBIT 1, page 5 lists the **DIRECTORS AND OFFICERS OF ARCH WESTERN ACQUISITION CORPORATION.** Contact information for ARCH WESTERN ACQUISITION CORPORATION is provided.

EXHIBIT 1, page 6 lists the **DIRECTORS AND OFFICERS OF ARCH WESTERN RESOURCES, L.L.C.** Contact information is provided.

EXHIBIT 1, page 7 lists the **DIRECTORS AND OFFICERS OF ARCH WESTERN BITUMINOUS GROUP, L.L.C.** Contact information is provided.

The Permittee has met the requirements of this section for the 2008 annual reporting.

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS

Inspector Comments:

No mine map has been submitted with the 2008 Annual Report. It is assumed that the most current map of the Mine workings which was completed upon termination of the mining activities was submitted to the Division many years ago.

Subsidence information for this site is no longer being submitted.

APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302

CONTENTS

Inspector Comments:

No "Other Information" has been submitted; no other information is required for this site.
The site is monitored by the Division on a quarterly basis as weather conditions and access is available.